

# WORKFORCE OBSERVATIONS FOR MILWAUKEE COUNTY/WOW COUNTIES NOVEMBER 2001



## The October Employment Situation

In October, the Milwaukee Metropolitan Statistical Area (MSA) experienced a seasonally adjusted unemployment rate of 4.5 percent, which is one half of one percent higher than the same rate for the metro area for the month of September. The metropolitan unemployment rate stands at six-tenths of one percent above the state rate of 3.9% for the same period, which is equal to the difference between the two rates for the previous month. The month of October also saw the metropolitan unemployment rate exhibit a sharp 1.2% increase over the same period in 2000.

The **Milwaukee County** not seasonally adjusted unemployment rate stood at 5.4 percent in October. This rate ranked eighth highest in the state, with Menominee County experiencing the highest rate for the month. The county rate is 0.6% higher than September, and 1.3% higher than the same period one year ago. It is important to note that, as compared to October, 2000, each county in the metropolitan area experienced unemployment rates between 1.0% and 1.3% higher over the past month. The rate increased despite a general increase in the labor force of slightly more than 2,500 participants. However, the month also brought a 280 person decrease in the number of employed participants, and an increase of nearly 2,800 persons in the number of unemployed resulting in the significantly higher rate. While the rate increase over the past month is not as great as the increase experienced between May and June of this year, as illustrated in the accompanying graph, it is important to note that this increase is not consistent with historical trends. This inconsistency indicates that the events of September 11th and in the follow-

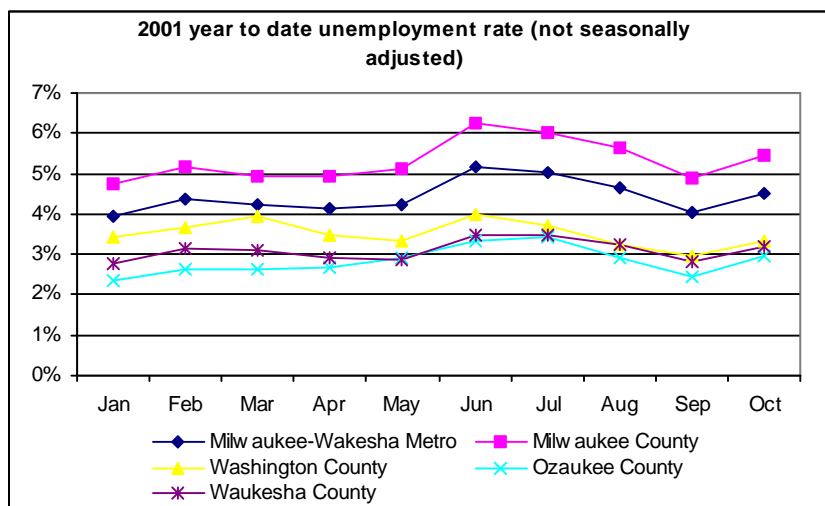
ing months has had an effect on the area economy. The magnitude of this effect is difficult to measure, however, when one considers the reality that the regional economy had been slowing prior to September 11th, reflecting national trends.

The manufacturing sector in Milwaukee County, which had experienced a significant decrease in employees over the past several months has begun to show signs of a return to stability, as the loss of 140 employees was reported over the past month than has been reported over recent months. Among other sec-

tors experiencing significant job losses, the service sector experienced the greatest loss of 1,900 employees. Much of this decrease has come in the hospitality and travel industries, which have experienced significant losses as a result of September 11th. Also, it is important to note that the decline in construction employment (380 persons) reflects a decrease in demand for new residential construction.

The WOW counties' of Waukesha, Ozaukee, and Washington not seasonally adjusted unemployment rates all experienced significant increases over the past month, as had been previously noted. **Washington County's** rate of 3.3 percent is four-tenths of a percentage point higher than September. **Ozaukee County** reported an October unemployment rate of 3.0%, five-tenths of a point higher than September, but still tenth lowest in the state for the month, and **Waukesha County**, at 3.2 percent is also four-tenths higher than the same period one month ago. Each of these rates is higher than rates for the respective counties from this time a year ago, also as previously noted. Washington County is 1 percent higher, Ozaukee County is 1.2% higher, as is Waukesha County, respectively. To put these October rates into historical perspective, while each of the counties' unemployment rates continue to be significantly lower than those observed over the past decade, the October 2001 unemployment rates in the WOW counties again represent the

highest unemployment rate in the past five years. This provides and indication that the events of September 11th did indeed have some effect on the labor market in the WOW counties, and that the general period of recent economic expansion may be slowing. Over the period from 1990 to the present, September unemployment rates have averaged 2.5%, 2.1%, and 2.8% for



Waukesha, Ozaukee, and Washington Counties, respectively.

An analysis of industry employment shows an aggregate loss of 1,600 employees over the past month, with the number of person's unemployed (1,400) accompanying a significant, but lesser increase in the number of unemployed (200), resulting in an increase in the WDA unemployment rate to 3.2% for the month.

Job loss in the WOW WDA over the past month has been dis-

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tributed among four key areas: construction and mining (-540), manufacturing (-120), wholesale trade (-220) and services. Decline among these four primary sectors is indicative, in part of a general economic slowdown, and has been driven by a decrease in orders of durable goods, a decline in demand for residential construction, and a decrease in consumer confidence. The decrease in service employment is perhaps the most notable, as it runs contrary to the recent trend of growth among these industries, driven, in part by the economic anxiety fostered by the wake of September 11th. Manufacturing employment continues to experience a precipitous decline over the past year (-3,480 positions), led once again by Waukesha County (-2,270). Wholesale trade (-1,480), retail trade (-800), construction (-770), and service industries (-610) have all experienced significant decreases in employment in the area over the past year. Of all major industry groups, only government employers (1,050)

and finance, insurance, and real estate (140) have experienced increases in employment.

With the release of this employment data, as well as a number of other economic indicators, the initial economic impact of September 11th is beginning to be measured. While the increase in unemployment observed over the past month is significant, and represents a large increase over the past month, it is important to note that much of the decline experienced in many sectors is largely unrelated to the effects of the terrorist attacks and are indicative, rather of a number of other purely economic factors. With the success of retaliatory strikes in Afghanistan, significant price cuts in the travel and hospitality industries, as well as federal legislation to improve the air safety, it is expected that these industries will experience significant periods of recovery. It is also expected that, as the country recovers, so too will consumer confidence, again driving growth.

	Wisconsin	Milwaukee-Waukesha MSA	Milwaukee County/WDA	Washington County	Ozaukee County	Waukesha County	W-O-W WDA
<b>September 2001</b>							
<b>Civilian Labor Force*</b>	3,050,819	819,019	484,095	68,800	49,221	216,903	334,924
Persons Employed	2,932,520	781,913	457,724	66,498	47,765	209,926	324,189
Persons Unemployed	118,299	37,106	26,371	2,302	1,456	6,977	10,735
Unemployment Rate	3.9%	4.5%	5.4%	3.3%	3.0%	3.2%	3.2%
<b>Total jobs of all non-farm industries**</b>	2,862,882	866,677	557,157	47,339	39,308	222,873	309,520
<b>Goods Producing Jobs</b>	722,301	199,626	100,788	17,922	13,526	67,390	98,838
<b>Service Producing Jobs</b>	2,140,581	667,051	456,369	29,418	25,782	155,483	210,682
Construction & Mining	136,465	35,613	14,679	2,768	1,630	16,536	20,934
All Manufacturing	585,836	164,013	86,109	15,153	11,896	50,854	77,904
Transportation, Communications & Public Utilities	137,166	39,081	28,588	1,769	829	7,894	10,493
Wholesale Trade	137,316	48,602	25,012	2,400	1,597	19,593	23,590
Retail Trade	504,351	132,086	82,004	8,221	6,960	34,902	50,082
Finance, Insurance, and Real Estate	152,798	59,107	42,922	2,011	1,981	12,194	16,185
Services	788,527	289,700	208,554	9,219	10,235	61,692	81,146
All Government	420,423	98,475	69,288	5,798	4,181	19,208	29,187
<b>Change from September 2001</b>							
<b>Civilian Labor Force*</b>	11,890	3,720	2,510	250	230	730	1,210
Persons Employed	-3,430	-470	-280	-40	-30	-130	-200
Persons Unemployed	15,310	4,190	2,790	290	260	850	1,400
Unemployment Rate	0.5%	0.5%	0.6%	0.4%	0.5%	0.4%	0.4%
<b>Total jobs of all non-farm industries**</b>	5,840	390	600	70	30	-320	-210
<b>Goods Producing Jobs</b>	-6,650	-1,180	-510	-100	-60	-510	-660
<b>Service Producing Jobs</b>	12,490	1,570	1,120	170	90	190	450
Construction & Mining	-1,200	-920	-380	-70	-40	-430	-540
All Manufacturing	-5,450	-260	-140	-20	-20	-80	-120
Transportation, Communications & Public Utilities	-700	0	0	0	0	0	0
Wholesale Trade	-230	-450	-230	-20	-10	-180	-220
Retail Trade	2,140	370	230	20	20	100	140
Finance, Insurance, and Real Estate	310	50	30	0	0	10	10
Services	-4,620	-2,640	-1,900	-80	-90	-560	-740
All Government	15,580	4,240	2,980	250	180	830	1,260
<b>Change from October 2000</b>							
<b>Civilian Labor Force*</b>	87,370	7,580	4,860	480	390	1,840	2,710
Persons Employed	42,430	-3,150	-1,850	-270	-190	-850	-1,310
Persons Unemployed	36,640	10,730	6,710	750	590	2,690	4,020
Unemployment Rate	1.2%	1.2%	1.3%	1.0%	1.2%	1.2%	1.2%
<b>Total jobs of all non-farm industries**</b>	-3,690	-12,490	-6,390	-930	-720	-4,450	-6,100
<b>Goods Producing Jobs</b>	-31,870	-8,630	-4,390	-780	-590	-2,880	-4,250
<b>Service Producing Jobs</b>	28,180	-3,860	-2,000	-150	-130	-1,570	-1,860
Construction & Mining	-2,040	-1,310	-540	-100	-60	-610	-770
All Manufacturing	-29,820	-7,330	-3,850	-680	-530	-2,270	-3,480
Transportation, Communications & Public Utilities	-50	-540	-390	-20	-10	-110	-140
Wholesale Trade	-2,850	-3,050	-1,570	-150	-100	-1,230	-1,480
Retail Trade	1,690	-2,110	-1,310	-130	-110	-560	-800
Finance, Insurance, and Real Estate	3,450	460	330	20	20	90	130
Services	13,690	-2,170	-1,560	-70	-80	-460	-610
All Government	12,250	3,540	2,490	210	150	690	1,050

\* Labor force figures are **not** seasonally adjusted and are commonly revised. Figures from "place of residence" survey from the Bureau of Labor Statistics' Unemployment Statistics program.

\*\*Figures based upon "place of employment" survey from the BLS, Non-Farm Wage and Salary estimates  
Figures are rounded and may not sum to totals

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